

Adopted	Rejected
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COMMITTEE REPORT

YES:	10
NO:	1

MR. SPEAKER:

*Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1463, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 4-32-1-1 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) This article
5 applies only to a qualified organization.
6 (b) This article applies only to:
7 (1) bingo events, charity game nights, door prize events, raffle
8 events, **card tournaments**, and festivals; and
9 (2) the sale of pull tabs, punchboards, and tip boards at bingo
10 events, door prize events, raffle events, charity game nights, **card**
11 **tournaments**, and festivals, or on the premises owned or leased
12 by the qualified organization and regularly used for the activities
13 of the qualified organization at any time.
14 This article does not apply to any other sale of pull tabs, punchboards,
15 and tip boards.

SECTION 2. IC 4-32-1-2 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2003]: Sec. 2. The purpose of this article is to
permit a licensed qualified organization:

- (1) to conduct bingo events, charity game nights, door prize drawings, **card tournaments**, and raffles; and
 - (2) to sell pull tabs, punchboards, and tip boards;
- as a fund raising activity for lawful purposes of the organization.

SECTION 3. IC 4-32-6-2 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2003]: Sec. 2. "Allowable event" means:

- (1) a bingo event;
 - (2) a charity game night;
 - (3) a raffle;
 - (4) a door prize drawing;
 - (5) a festival; ~~or~~
 - (6) **a card tournament; or**
 - (7) a sale of pull tabs, punchboards, or tip boards;
- conducted by a qualified organization in accordance with this article and rules adopted by the department under this article.

SECTION 4. IC 4-32-6-7 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2003]: Sec. 7. ~~(a)~~ "Bona fide political organization" means **a candidate's committee (as defined in IC 3-5-2-7)**, a party committee, association, fund, or other organization, whether incorporated or not, organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function (as defined in Section 527 of the Internal Revenue Code).

~~(b) The term does not include a candidate's committee (as defined in IC 3-5-2-7).~~

SECTION 5. IC 4-32-6-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10.5. "Card tournament" means a contest conducted under a license issued under this article involving a number of players who compete in a series of elimination card games for prizes.**

SECTION 6. IC 4-32-6-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 20.5. "Qualified recipient" means:**

- (1) **a hospital or medical center operated by the federal**

1 **government;**
 2 **(2) a hospital licensed under IC 16-21;**
 3 **(3) a hospital subject to IC 16-22;**
 4 **(4) a hospital subject to IC 16-23;**
 5 **(5) a health facility licensed under IC 16-28;**
 6 **(6) a psychiatric facility licensed under IC 12-25;**
 7 **(7) an organization described in section 20(a) of this chapter;**
 8 **(8) an activity or a program of a local law enforcement agency**
 9 **intended to reduce substance abuse;**
 10 **(9) a charitable activity of a local law enforcement agency; or**
 11 **(10) a veteran's home (as defined in section 23.5 of this**
 12 **chapter).".**

13 Page 1, between lines 4 and 5, begin a new paragraph and insert:

14 "SECTION 2. IC 4-32-6-22.7 IS ADDED TO THE INDIANA
 15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2003]: **Sec. 22.7. "Single day raffle event"**
 17 **means a raffle event in which the tickets are sold, the winning**
 18 **ticket drawn, and the prize awarded on a single day.**

19 SECTION 3. IC 4-32-6-23.5 IS ADDED TO THE INDIANA CODE
 20 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2003]: **Sec. 23. 5. "Veterans' home" means any of the following:**

- 22 **(1) The Indiana Veterans' Home.**
- 23 **(2) The VFW National Home for Children.**
- 24 **(3) The Indiana Soldiers' and Sailors' Children's Home.**

25 SECTION 4. IC 4-32-9-1 IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2003]: **Sec. 1. A qualified organization may**
 27 **conduct the following activities in accordance with this article:**

- 28 **(1) A bingo event.**
- 29 **(2) A charity game night.**
- 30 **(3) A raffle event.**
- 31 **(4) A door prize event.**
- 32 **(5) A festival.**
- 33 **(6) The sale of pull tabs, punchboards, and tip boards.**
- 34 **(7) A card tournament."**

35 Page 1, delete lines 9 through 17, begin a new paragraph and insert:

36 "SECTION 7. IC 4-32-9-3.5 IS ADDED TO THE INDIANA CODE
 37 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 2003]: **Sec. 3.5. (a) A school may apply for an annual license**

1 from the department to conduct allowable events.

2 (b) Except as provided in subsection (c), a school holding an
3 annual license issued under section 5.5 of this chapter may not
4 conduct more than twenty-five (25) allowable events in a calendar
5 year.

6 (c) In addition to the number of events permitted under
7 subsection (b), a school may conduct an unlimited number of single
8 day raffle events under an annual license issued under section 5.5
9 of this chapter.

10 (d) A school holding an annual license issued under section 5.5
11 of this chapter is not required to obtain a bingo license, special
12 bingo license, charity game night license, raffle license, door prize
13 drawing license, or festival license before holding a particular
14 event. However, this chapter may not be construed to preclude a
15 school from conducting an allowable event under any other charity
16 gaming license obtained under this article."

17 Page 2, line 4, after "school license," insert "**card tournament**
18 **license**,".

19 Page 3, line 4, delete "publish" and insert "**give**".

20 Page 4, between lines 15 and 16, begin a new paragraph and insert:

21 "SECTION 6. IC 4-32-9-10 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The
23 commissioner may issue a festival license to a qualified organization
24 upon the organization's submission of an application and payment of
25 a fee determined under IC 4-32-11. The license must authorize the
26 qualified organization to conduct bingo events, charity game nights,
27 one (1) raffle event, **a card tournament**, and door prize events and to
28 sell pull tabs, punchboards, and tip boards. The license must state the
29 location and the dates, not exceeding four (4) consecutive days, on
30 which these activities may be conducted.

31 (b) A qualified organization may not conduct more than one (1)
32 festival each year at which bingo events, charity game nights, raffle
33 events, **card tournaments**, and door prize events are conducted and
34 pull tabs, punchboards, and tip boards are sold.

35 (c) The raffle event authorized by a festival license is not subject to
36 the prize limits set forth in this chapter. Bingo events, charity game
37 nights, **card tournaments**, and door prize events conducted at a
38 festival are subject to the prize limits set forth in this chapter.

SECTION 7. IC 4-32-9-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10.5. (a) The commissioner may issue a card tournament license to a qualified organization if:**

(1) the provisions of this section are satisfied; and

(2) the qualified organization:

(A) submits an application; and

(B) pays a fee set by the department under IC 4-32-11.

(b) Each officer of a qualified organization that signs an application for a card tournament license under this section must live in the county where the proposed card tournaments will be held.

(c) A license issued under this section:

(1) may authorize the qualified organization to conduct card tournaments on more than one (1) occasion during a period of one (1) year;

(2) must state the locations of the permitted card tournaments;

(3) must state the expiration date of the license; and

(4) may be reissued annually upon the submission of an application for reissuance on the form established by the department and upon the licensee's payment of a fee set by the department.

SECTION 8. IC 4-32-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 15. (a) A qualified organization may not contract or otherwise enter into an agreement with an individual, a corporation, a partnership, a limited liability company, or other association to conduct an allowable event for the benefit of the organization. Except as provided in subsection (b), a qualified organization shall use only operators and workers meeting the requirements of this chapter to manage and conduct an allowable event.**

(b) The superintendent, principal, or other executive officer of a school may designate any individual to sell raffle tickets on behalf of the school. Section 25 of this chapter applies to an individual designated under this section.

SECTION 9. IC 4-32-9-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16. (a) The department may, by rule, set the allowable expenditures of a qualified organization**

with respect to an allowable event. All net proceeds from an allowable event and related activities may only be used for the lawful purposes of the qualified organization.

(b) To determine the net proceeds from an allowable event, a qualified organization shall subtract the following from the gross receipts received from an allowable event:

(1) Prize payouts.

(2) Door prizes.

(3) License fees.

(4) The sum of the purchase prices of licensed supplies described in IC 4-32-7-4 purchased for the allowable event.

(c) The lawful purposes of a qualified organization include:

(1) the religious, charitable, community, or educational purposes for which the qualified organization is specifically chartered or organized;

(2) expenses relating to the acquisition, construction, maintenance, or repair of any interest in real property involved in the operation of the organization, and used for lawful, religious, charitable, community, or educational purposes;

(3) expenses related to the acquisition and maintenance of equipment, vehicles, or other personal property used for the religious, charitable, educational, or community purposes of the organization;

(4) scholarship funds; or

(5) payments made to or on behalf of a sick or deceased member or the member's immediate family. However, the department must approve payments under this subdivision that exceed one percent (1%) of the qualified organization's gross receipts.

(d) A qualified organization must annually provide a detailed accounting of the use of the qualified organization's net proceeds on a form prescribed by the department.

SECTION 10. IC 4-32-9-16.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16.1. For purposes of section 16 of this chapter, the net proceeds of an allowable event may not be used for:**

- (1) social or recreational activities that are open primarily to the organization's members and their families, unless a substantial benefit to the community is demonstrated;
- (2) salaries and honoraria to the officers, directors, members, or employees of the qualified organization;
- (3) payments, other than a payment authorized under section 16(c)(5) of this chapter, made directly for the benefit of an individual member of the qualified organization or a member of the member's family;
- (4) an activity prohibited by federal, state, or local law; or
- (5) an activity prohibited by the qualified organization's charter or bylaws.

SECTION 11. IC 4-32-9-16.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16.5. (a) A qualified organization that receives ninety percent (90%) or more of the organization's total gross receipts from any events licensed under this article is required to donate sixty percent (60%) of its gross charitable gaming receipts less prize payout to ~~another qualified organization~~ a **qualified recipient** that is not an affiliate, a parent, or a subsidiary organization of the qualified organization.

(b) For purposes of this section, a veterans' home (as defined in IC 4-32-6-23.5) is not considered to be an affiliate, a parent, or a subsidiary organization of a qualified organization that is a bona fide veterans' organization.

SECTION 12. IC 4-32-9-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial aspects of an allowable event to the department within the time established by the department. The department ~~may~~ **shall** prescribe forms for this purpose. The department shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

SECTION 13. IC 4-32-9-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 29. (a) **Except as provided in subsection (b)**, a worker must be a member in good

standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

(b) The following individuals may work at an allowable event without meeting the requirements of subsection (a):

(1) A member of an auxiliary organization as defined in the rules of the department.

(2) A member of the immediate family of a worker who satisfies the requirements of subsection (a).

(3) An individual designated to sell raffle tickets under section 15(b) of this chapter.

(c) Section 25 of this chapter applies to an individual described in subsection (b).

SECTION 14. IC 4-32-9-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 33. ~~(a) The total prizes awarded for one (1) pull tab, punchboard, or tip board game may not exceed two thousand dollars (\$2,000).~~

~~(b)~~ **(a)** A single prize awarded for one (1) winning ticket in a pull tab, punchboard, or tip board game may not exceed ~~three five~~ **ninety-nine** hundred dollars ~~(\$300): (\$599).~~

~~(c)~~ **(b)** The selling price for one (1) ticket for a pull tab, punchboard, or tip board game may not exceed one dollar (\$1).

SECTION 15. IC 4-32-9-33.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 33.5. (a) The total prizes awarded for one (1) card tournament may not exceed five hundred dollars (\$500).**

(b) The total value of all prizes awarded annually for a qualified organization's card tournaments may not exceed twenty thousand dollars (\$20,000).

(c) The entry fee to play in a card tournament may not exceed ten dollars (\$10).

(d) Wagering is not permitted on the following:

(1) The result of a particular hand played in a card tournament.

(2) The result of a particular game played in a card tournament.

(3) The results of the card tournament.

(e) Section 3 of this chapter does not apply to a card

1 **tournament."**

2 Page 4, line 40, delete "An allowable event is considered to be an
3 allowable event of".

4 Page 4, delete lines 41 through 42.

5 Page 5, delete line 1.

6 Page 5, line 2, delete "submitted under subsection (c).".

7 Page 5, between lines 5 and 6, begin a new paragraph and insert:

8 "SECTION 7. IC 4-32-11-2 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. **(a) Except as**
10 **provided in subsection (b),** the department shall establish an initial
11 license fee schedule. However, the license fee that is charged to a
12 qualified organization in the first year that the qualified organization
13 applies for a license, **other than an annual school license,** may not
14 exceed twenty-five dollars (\$25).

15 **(b) The initial license fee charged to a school that applies for an**
16 **annual school license is two hundred dollars (\$200)."**

17 Page 5, delete lines 41 through 42.

18 Page 6, delete line 1, begin a new paragraph and insert:

19 "SECTION 8. IC 4-32-12-1 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The department
21 may suspend or revoke the license of or levy a civil penalty against a
22 qualified organization or an individual under this article for any of the
23 following:

24 (1) Violation of a provision of this article or of a rule of the
25 department.

26 (2) Failure to accurately account for:

27 (A) bingo cards;

28 (B) bingo boards;

29 (C) bingo sheets;

30 (D) bingo pads;

31 (E) pull tabs;

32 (F) punchboards; or

33 (G) tip boards.

34 (3) Failure to accurately account for sales proceeds from an event
35 or activity licensed or permitted under this article.

36 (4) Commission of a fraud, deceit, or misrepresentation.

37 ~~(5) Conduct prejudicial to public confidence in the department.~~

38 (b) If a violation is of a continuing nature, the department may

1 impose a civil penalty upon a licensee or an individual for each day the
2 violation continues.

3 SECTION 9. IC 4-32-13-2 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. At the direction of
5 the commissioner, the department may do any of the following:

- 6 (1) Investigate an alleged violation of this article.
- 7 (2) Arrest an alleged violator of this article or of a rule adopted by
8 the department.
- 9 (3) Enter upon the following premises for the performance of their
10 lawful duties:
 - 11 (A) Where a bingo event, charity game night, raffle, **card**
12 **tournament**, or door prize drawing is being conducted.
 - 13 (B) Where pull tabs, tip boards, or punchboards are being
14 purchased, sold, manufactured, printed, or stored.
- 15 (4) Take necessary equipment from the premises for further
16 investigation.
- 17 (5) Obtain full access to all financial records of the entity upon
18 request.
- 19 (6) If there is a reason to believe that a violation has occurred,
20 search and inspect the premises where the violation is alleged to
21 have occurred or is occurring. A search under this subdivision
22 may not be conducted unless a warrant has first been obtained by
23 the commissioner. A contract entered into by the commissioner
24 may not include a provision allowing for warrantless searches. A
25 warrant may be obtained in the county where the search will be
26 conducted or in Marion County.
- 27 (7) Seize or take possession of:
 - 28 (A) papers;
 - 29 (B) records;
 - 30 (C) tickets;
 - 31 (D) currency; or
 - 32 (E) other items;
- 33 related to an alleged violation.

34 SECTION 10. IC 4-32-14-1 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A bingo event,
36 charity game night, raffle, **card tournament**, or door prize drawing is
37 not allowed in Indiana, except those authorized by the department
38 under this article.

1 SECTION 11. IC 4-32-14-3 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) Local
 3 governmental authority concerning the following is preempted by the
 4 state under this article and IC 4-30:

5 (1) All matters relating to the operation of bingo events, charity
 6 game nights, raffles, **card tournaments**, and door prize drawings.

7 (2) All matters relating to the possession, transportation,
 8 advertising, sale, manufacture, printing, storing, or distribution of
 9 pull tabs, punchboards, or tip boards.

10 (b) A county, municipality, or other political subdivision of the state
 11 may not enact an ordinance relating to the department's operations
 12 authorized by this article.

13 SECTION 12. IC 4-32-14-4 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. A state or local law
 15 providing a penalty for or restriction or prohibition against the
 16 operation of bingo events, charity game nights, raffles, **card**
 17 **tournaments**, or door prize drawings, or the possession, manufacture,
 18 transportation, distribution, advertising, printing, storing, or sale of
 19 bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs,
 20 punchboards, or tip boards does not apply to the operation of bingo
 21 games, charity game nights, raffles, **card tournaments**, or door prize
 22 drawings under this article, or to the possession, manufacture,
 23 transportation, distribution, advertising, printing, storing, or sale of

24 bingo cards, bingo boards, bingo sheets, bingo pads, pull tabs,
 25 punchboards, or tip boards under this article."

- 1 Renumber all SECTIONS consecutively.
 (Reference is to HB 1463 as introduced.)

and when so amended that said bill do pass.

Representative Lytle